

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0333P

**Use Tax
Calendar Years 1995 and 1996**

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated March 10, 1998 requested that the penalty assessed for failure to accrue use tax on clearly taxable items be abated.

Taxpayer is an Indiana S Corporation incorporated on August 2, 1987 and was previously audited on March 12, 1993.

I. Tax Administration - Penalty

DISCUSSION

At issue is whether the taxpayer was negligent in remitting use tax due.

Upon audit it was discovered that the taxpayer failed to self assess and remit use tax for clearly taxable items, which were issues in the prior audit.

Taxpayer made no arguments in its letter dated March 10, 1998 other than a request for abatement of penalty due to vendors, who normally taxed them, deleting the tax under the assumption that the taxpayer was exempt as an educational institution.

Taxpayer was previously audited, took corrective measures, but failed to self assess tax for clearly taxable items that were issues in the prior audit. In addition, approximately sixty percent (60%) use tax was self-assessed for both years of the audit.

The department finds no reasonable cause exists, therefore, the request for penalty waiver is denied.

FINDING

Taxpayer's protest is denied.